

107TH CONGRESS  
1ST SESSION

# H. R. 3009

To extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 3, 2001

Mr. CRANE (for himself and Mr. THOMAS) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Andean Trade Pro-  
5       motion and Drug Eradication Act”.

6       **SEC. 2. FINDINGS.**

7       Congress makes the following findings:

8               (1) Since the Andean Trade Preference Act was  
9       enacted in 1991, it has had a positive impact on  
10      United States trade with Bolivia, Colombia, Ecua-

1       dor, and Peru. Two-way trade has doubled, with the  
2       United States serving as the leading source of im-  
3       ports and leading export market for each of the An-  
4       dean beneficiary countries. This has resulted in in-  
5       creased jobs and expanded export opportunities in  
6       both the United States and the Andean region.

7           (2) The Andean Trade Preference Act has been  
8       a key element in the United States counternarcotics  
9       strategy in the Andean region, promoting export di-  
10      versification and broad-based economic development  
11      that provides sustainable economic alternatives to  
12      drug-crop production, strengthening the legitimate  
13      economies of Andean countries and creating viable  
14      alternatives to illicit trade in coca.

15          (3) Notwithstanding the success of the Andean  
16      Trade Preference Act, the Andean region remains  
17      threatened by political and economic instability and  
18      fragility, vulnerable to the consequences of the drug  
19      war and fierce global competition for its legitimate  
20      trade.

21          (4) The continuing instability in the Andean re-  
22      gion poses a threat to the security interests of the  
23      United States and the world. This problem has been  
24      partially addressed through foreign aid, such as Plan  
25      Colombia, enacted by Congress in 2000. However,

1 foreign aid alone is not sufficient. Enhancement of  
2 legitimate trade with the United States provides an  
3 alternative means for reviving and stabilizing the  
4 economies in the Andean region.

5 (5) The Andean Trade Preference Act con-  
6 stitutes a tangible commitment by the United States  
7 to the promotion of prosperity, stability, and democ-  
8 racy in the beneficiary countries.

9 (6) Renewal and enhancement of the Andean  
10 Trade Preference Act will bolster the confidence of  
11 domestic private enterprise and foreign investors in  
12 the economic prospects of the region, ensuring that  
13 legitimate private enterprise can be the engine of  
14 economic development and political stability in the  
15 region.

16 (7) Each of the Andean beneficiary countries is  
17 committed to conclude negotiation of a Free Trade  
18 Area of the Americas by the year 2005, as a means  
19 of enhancing the economic security of the region.

20 (8) Temporarily enhancing trade benefits for  
21 Andean beneficiary countries will promote the  
22 growth of free enterprise and economic opportunity  
23 in these countries and serve the security interests of  
24 the United States, the region, and the world.

1 **SEC. 3. ARTICLES ELIGIBLE FOR PREFERENTIAL TREAT-**  
2 **MENT.**

3 (a) ELIGIBILITY OF CERTAIN ARTICLES.—Section  
4 204 of the Andean Trade Preference Act (19 U.S.C.  
5 3203) is amended—

6 (1) by striking subsection (c) and redesignating  
7 subsections (d) through (g) as subsections (c)  
8 through (f), respectively; and

9 (2) by amending subsection (b) to read as fol-  
10 lows:

11 “(b) EXCEPTIONS AND SPECIAL RULES.—

12 “(1) CERTAIN ARTICLES THAT ARE NOT IM-  
13 PORT-SENSITIVE.—The President may proclaim  
14 duty-free treatment under this title for any of the  
15 following articles only if the article is the product of  
16 an ATPEA beneficiary country and only if the  
17 President determines that the article is not import-  
18 sensitive in the context of imports from ATPEA  
19 beneficiary countries:

20 “(A) Footwear not designated at the time of  
21 the effective date of this Act as eligible for the  
22 purpose of the generalized system of pref-  
23 erences under title V of the Trade Act of 1974.

24 “(B) Petroleum, or any product derived from  
25 petroleum, provided for in headings 2709 and  
26 2710 of the HTS.

“(C) Watches and watch parts (including cases, bracelets and straps), of whatever type including, but not limited to, mechanical, quartz digital or quartz analog, if such watches or watch parts contain any material which is the product of any country with respect to which HTS column 2 rates of duty apply.

“(D) Sugars, syrups, and molasses classified in subheadings 1701.11.03, 1701.12.02, 1701.99.02, 1702.90.32, 1806.10.42, and 2106.90.12 of the HTS.

“(E) Handbags, luggage, flat goods, work gloves, and leather wearing apparel that—

“(i) are the product of an ATPEA beneficiary country; and

“(ii) were not designated on August 5, 1983, as eligible articles for purposes of the generalized system of preferences under title V of the Trade Act of 1974.

“(2) EXCLUSIONS.—Duty-free treatment under this title may not be extended to—

“(A) textiles; or

“(B) rum and tafia classified in subheading 2208.40.00 of the HTS.

“(3) APPAREL ARTICLES.—

1           “(A) IN GENERAL.—Apparel articles that  
2           are imported directly into the customs territory  
3           of the United States from an ATPEA bene-  
4           ficiary country shall enter the United States  
5           free of duty and free of any quantitative restric-  
6           tions, limitations, or consultation levels, but  
7           only if such articles are described in subpara-  
8           graph (B).

9           “(B) COVERED ARTICLES.—The apparel  
10          articles referred to in subparagraph (A) are the  
11          following:

12               “(i) APPAREL ARTICLES ASSEMBLED  
13               FROM PRODUCTS OF THE UNITED STATES  
14               AND ATPEA BENEFICIARY COUNTRIES OR  
15               PRODUCTS NOT AVAILABLE IN COMMER-  
16               CIAL QUANTITIES.—Apparel articles sewn  
17               or otherwise assembled in 1 or more  
18               ATPEA beneficiary countries exclusively  
19               from any one or any combination of the  
20               following:

21                   “(I) Fabrics or fabric compo-  
22                   nents formed, or components knit-to-  
23                   shape, in the United States (including  
24                   fabrics not formed from yarns, if such  
25                   fabrics are classifiable under heading

1 5602 or 5603 of the HTS and are  
2 formed in the United States).

3 “(II) Fabrics or fabric compo-  
4 nents formed, or components knit-to-  
5 shape, in 1 or more ATPEA bene-  
6 ficiary countries, from yarns formed  
7 in 1 or more ATPEA beneficiary  
8 countries, if such fabrics (including  
9 fabrics not formed from yarns, if such  
10 fabrics are classifiable under heading  
11 5602 or 5603 of the HTS and are  
12 formed in 1 or more ATPEA bene-  
13 ficiary countries) are in chief weight  
14 of llama, or alpaca.

15 “(III) Fabrics or yarns, without  
16 regard to where they are formed, if  
17 such fabrics or yarns are classifiable  
18 under headings of the HTS from  
19 which a change in tariff classification  
20 is allowed under the applicable rules  
21 for the good under General Note 12(t)  
22 of the HTS (except for goods classifi-  
23 able under heading 6212.10 of the  
24 HTS), without regard to whether the  
25 components of such yarns or fabrics

1 determine the tariff classification of  
2 the apparel article, except that if such  
3 yarns or fabrics are used to produce  
4 knit-to-shape components, the compo-  
5 nents must be knit-to-shape in the  
6 United States or in 1 or more  
7 ATPEA beneficiary countries.

8 “(ii) ADDITIONAL FABRICS.—At the  
9 request of any interested party, the Presi-  
10 dent is authorized to proclaim additional  
11 fabrics and yarns as eligible for pref-  
12 erential treatment under clause (i)(III)  
13 if—

14 “(I) the President determines  
15 that such fabrics or yarns cannot be  
16 supplied by the domestic industry in  
17 commercial quantities in a timely  
18 manner;

19 “(II) the President has obtained  
20 advice regarding the proposed action  
21 from the appropriate advisory com-  
22 mittee established under section 135  
23 of the Trade Act of 1974 (19 U.S.C.  
24 2155) and the United States Inter-  
25 national Trade Commission;



1 “(III) within 60 days after the  
2 request, the President has submitted  
3 a report to the Committee on Ways  
4 and Means of the House of Rep-  
5 resentatives and the Committee on Fi-  
6 nance of the Senate that sets forth  
7 the action proposed to be proclaimed  
8 and the reasons for such action, and  
9 the advice obtained under subclause  
10 (II);

11 “(IV) a period of 60 calendar  
12 days, beginning with the first day on  
13 which the President has met the re-  
14 quirements of subclause (III), has ex-  
15 pired; and

16 “(V) the President has consulted  
17 with such committees regarding the  
18 proposed action during the period re-  
19 ferred to in subclause (III).

20 “(iii) APPAREL ARTICLES ASSEMBLED  
21 IN 1 OR MORE ATPEA BENEFICIARY COUN-  
22 TRIES FROM REGIONAL FABRICS OR RE-  
23 GIONAL COMPONENTS.—(I) Subject to the  
24 limitation set forth in subclause (II), ap-  
25 parel articles sewn or otherwise assembled

1 in 1 or more ATPEA beneficiary countries  
2 from fabrics or from fabric components  
3 formed or from components knit-to-shape,  
4 in 1 or more ATPEA beneficiary countries,  
5 from yarns formed in the United States or  
6 in 1 or more ATPEA beneficiary countries  
7 (including fabrics not formed from yarns,  
8 if such fabrics are classifiable under head-  
9 ing 5602 or 5603 of the HTS and are  
10 formed in 1 or more ATPEA beneficiary  
11 countries), whether or not the apparel arti-  
12 cles are also made from any of the fabrics,  
13 fabric components formed, or components  
14 knit-to-shape described in clause (i).

15 “(II) The preferential treatment re-  
16 ferred to in subclause (I) shall be extended  
17 in the 1-year period beginning December  
18 1, 2001, and in each of the 5 succeeding  
19 1-year periods, to imports of apparel arti-  
20 cles in an amount not to exceed the appli-  
21 cable percentage of the aggregate square  
22 meter equivalents of all apparel articles im-  
23 ported into the United States in the pre-  
24 ceding 12-month period for which data are  
25 available.

1 “(III) For purposes of subclause (II),  
2 the term ‘applicable percentage’ means 3  
3 percent for the 1-year period beginning  
4 December 1, 2001, increased in each of the  
5 succeeding 1-year periods by equal incre-  
6 ments, so that for the period beginning  
7 December 1, 2005, the applicable percent-  
8 age does not exceed 6 percent.

9 “(iv) HANDLOOMED, HANDMADE, AND  
10 FOLKLORE ARTICLES.—A handloomed,  
11 handmade, or folklore article of an ATPEA  
12 beneficiary country identified under sub-  
13 paragraph (C) that is certified as such by  
14 the competent authority of such beneficiary  
15 country.

16 “(v) SPECIAL RULES.—

17 “(I) EXCEPTION FOR FINDINGS  
18 AND TRIMMINGS.—An article other-  
19 wise eligible for preferential treatment  
20 under this paragraph shall not be in-  
21 eligible for such treatment because the  
22 article contains findings or trimmings  
23 of foreign origin, if such findings and  
24 trimmings do not exceed 25 percent of  
25 the cost of the components of the as-

1           sembled product. Examples of find-  
2           ings and trimmings are sewing thread,  
3           hooks and eyes, snaps, buttons, ‘bow  
4           buds’, decorative lace, trim, elastic  
5           strips, zippers, including zipper tapes  
6           and labels, and other similar products.

7           “(II) CERTAIN INTERLINING.—

8           (aa) An article otherwise eligible for  
9           preferential treatment under this  
10          paragraph shall not be ineligible for  
11          such treatment because the article  
12          contains certain interlinings of foreign  
13          origin, if the value of such interlinings  
14          (and any findings and trimmings)  
15          does not exceed 25 percent of the cost  
16          of the components of the assembled  
17          article.

18          “(bb) Interlinings eligible for the  
19          treatment described in division (aa)  
20          include only a chest type plate, ‘hymo’  
21          piece, or ‘sleeve header’, of woven or  
22          weft-inserted warp knit construction  
23          and of coarse animal hair or man-  
24          made filaments.

1                   “(cc) The treatment described in  
2                   this subclause shall terminate if the  
3                   President makes a determination that  
4                   United States manufacturers are pro-  
5                   ducing such interlinings in the United  
6                   States in commercial quantities.

7                   “(III) DE MINIMIS RULE.—An  
8                   article that would otherwise be ineli-  
9                   gible for preferential treatment under  
10                  this subparagraph because the article  
11                  contains fibers or yarns not wholly  
12                  formed in the United States or in one  
13                  or more ATPEA beneficiary countries  
14                  shall not be ineligible for such treat-  
15                  ment if the total weight of all such fi-  
16                  bers or yarns is not more than 7 per-  
17                  cent of the total weight of the good.

18                  “(C) HANDLOOMED, HANDMADE, AND  
19                  FOLKLORE ARTICLES.—For purposes of sub-  
20                  paragraph (B)(iv), the President shall consult  
21                  with representatives of the ATPEA beneficiary  
22                  countries concerned for the purpose of identi-  
23                  fying particular textile and apparel goods that  
24                  are mutually agreed upon as being handloomed,  
25                  handmade, or folklore goods of a kind described

1 in section 2.3(a), (b), or (c) of the Annex or  
2 Appendix 3.1.B.11 of the Annex.

3 “(D) PENALTIES FOR TRANSSHIPMENT.—

4 “(i) PENALTIES FOR EXPORTERS.—If  
5 the President determines, based on suffi-  
6 cient evidence, that an exporter has en-  
7 gaged in transshipment with respect to ap-  
8 parel articles from an ATPEA beneficiary  
9 country, then the President shall deny all  
10 benefits under this title to such exporter,  
11 and any successor of such exporter, for a  
12 period of 2 years.

13 “(ii) PENALTIES FOR COUNTRIES.—

14 Whenever the President finds, based on  
15 sufficient evidence, that transshipment has  
16 occurred, the President shall request that  
17 the ATPEA beneficiary country or coun-  
18 tries through whose territory the trans-  
19 shipment has occurred take all necessary  
20 and appropriate actions to prevent such  
21 transshipment. If the President determines  
22 that a country is not taking such actions,  
23 the President shall reduce the quantities of  
24 apparel articles that may be imported into  
25 the United States from such country by

1 the quantity of the transshipped articles  
2 multiplied by 3, to the extent consistent  
3 with the obligations of the United States  
4 under the WTO.

5 “(iii) TRANSSHIPMENT DESCRIBED.—  
6 Transshipment within the meaning of this  
7 subparagraph has occurred when pref-  
8 erential treatment under subparagraph (A)  
9 has been claimed for an apparel article on  
10 the basis of material false information con-  
11 cerning the country of origin, manufacture,  
12 processing, or assembly of the article or  
13 any of its components. For purposes of  
14 this clause, false information is material if  
15 disclosure of the true information would  
16 mean or would have meant that the article  
17 is or was ineligible for preferential treat-  
18 ment under subparagraph (A).

19 “(E) BILATERAL EMERGENCY ACTIONS.—

20 “(i) IN GENERAL.—The President  
21 may take bilateral emergency tariff actions  
22 of a kind described in section 4 of the  
23 Annex with respect to any apparel article  
24 imported from an ATPEA beneficiary  
25 country if the application of tariff treat-

1           ment under subparagraph (A) to such arti-  
2           cle results in conditions that would be  
3           cause for the taking of such actions under  
4           such section 4 with respect to a like article  
5           described in the same 8-digit subheading  
6           of the HTS that is imported from Mexico.

7           “(ii) RULES RELATING TO BILATERAL  
8           EMERGENCY ACTION.—For purposes of ap-  
9           plying bilateral emergency action under  
10          this subparagraph—

11                 “(I) the requirements of para-  
12                 graph (5) of section 4 of the Annex  
13                 (relating to providing compensation)  
14                 shall not apply;

15                 “(II) the term ‘transition period’  
16                 in section 4 of the Annex shall mean  
17                 the period ending December 31, 2006;  
18                 and

19                 “(III) the requirements to con-  
20                 sult specified in section 4 of the  
21                 Annex shall be treated as satisfied if  
22                 the President requests consultations  
23                 with the ATPEA beneficiary country  
24                 in question and the country does not



1 agree to consult within the time pe-  
2 riod specified under section 4.

3 “(4) CUSTOMS PROCEDURES.—

4 “(A) IN GENERAL.—

5 “(i) REGULATIONS.—Any importer  
6 that claims preferential treatment under  
7 paragraph (1) or (3) shall comply with  
8 customs procedures similar in all material  
9 respects to the requirements of Article  
10 502(1) of the NAFTA as implemented  
11 pursuant to United States law, in accord-  
12 ance with regulations promulgated by the  
13 Secretary of the Treasury.

14 “(ii) DETERMINATION.—

15 “(I) IN GENERAL.—In order to  
16 qualify for the preferential treatment  
17 under paragraph (1) or (3) and for a  
18 Certificate of Origin to be valid with  
19 respect to any article for which such  
20 treatment is claimed, there shall be in  
21 effect a determination by the Presi-  
22 dent that each country described in  
23 subclause (II)—

24 “(aa) has implemented and  
25 follows; or

1 “(bb) is making substantial  
2 progress toward implementing  
3 and following,  
4 procedures and requirements similar  
5 in all material respects to the relevant  
6 procedures and requirements under  
7 chapter 5 of the NAFTA.

8 “(II) COUNTRY DESCRIBED.—A  
9 country is described in this subclause  
10 if it is an ATPEA beneficiary  
11 country—

12 “(aa) from which the article  
13 is exported; or

14 “(bb) in which materials  
15 used in the production of the ar-  
16 ticle originate or in which the ar-  
17 ticle or such materials undergo  
18 production that contributes to a  
19 claim that the article is eligible  
20 for preferential treatment under  
21 paragraph (1) or (3).

22 “(B) CERTIFICATE OF ORIGIN.—The Cer-  
23 tificate of Origin that otherwise would be re-  
24 quired pursuant to the provisions of subpara-  
25 graph (A) shall not be required in the case of

1 an article imported under paragraph (1) or (3)  
2 if such Certificate of Origin would not be re-  
3 quired under Article 503 of the NAFTA (as im-  
4 plemented pursuant to United States law), if  
5 the article were imported from Mexico.

6 “(5) DEFINITIONS.—In this subsection—

7 “(A) ANNEX.—The term ‘the Annex’  
8 means Annex 300-B of the NAFTA.

9 “(B) ATPEA BENEFICIARY COUNTRY.—  
10 The term ‘ATPEA beneficiary country’ means  
11 any ‘beneficiary country’, as defined in section  
12 203(a)(1) of this title, which the President des-  
13 ignates as an ATPEA beneficiary country, tak-  
14 ing into account the criteria contained in sub-  
15 sections (b) and (c) of section 203 and other  
16 appropriate criteria, including the following:

17 “(i) Whether the beneficiary country  
18 has demonstrated a commitment to—

19 “(I) undertake its obligations  
20 under the WTO, including those  
21 agreements listed in section 101(d) of  
22 the Uruguay Round Agreements Act,  
23 on or ahead of schedule; and

1 “(II) participate in negotiations  
2 toward the completion of the FTAA  
3 or another free trade agreement.

4 “(ii) The extent to which the country  
5 provides protection of intellectual property  
6 rights consistent with or greater than the  
7 protection afforded under the Agreement  
8 on Trade-Related Aspects of Intellectual  
9 Property Rights described in section  
10 101(d)(15) of the Uruguay Round Agree-  
11 ments Act.

12 “(iii) The extent to which the country  
13 provides internationally recognized worker  
14 rights, including—

15 “(I) the right of association;

16 “(II) the right to organize and  
17 bargain collectively;

18 “(III) a prohibition on the use of  
19 any form of forced or compulsory  
20 labor;

21 “(IV) a minimum age for the em-  
22 ployment of children; and

23 “(V) acceptable conditions of  
24 work with respect to minimum wages,

1 hours of work, and occupational safe-  
2 ty and health;

3 “(iv) Whether the country has imple-  
4 mented its commitments to eliminate the  
5 worst forms of child labor, as defined in  
6 section 507(6) of the Trade Act of 1974.

7 “(v) The extent to which the country  
8 has met the counter-narcotics certification  
9 criteria set forth in section 490 of the For-  
10 eign Assistance Act of 1961 (22 U.S.C.  
11 2291j) for eligibility for United States as-  
12 sistance.

13 “(vi) The extent to which the country  
14 has taken steps to become a party to and  
15 implements the Inter-American Convention  
16 Against Corruption.

17 “(vii) The extent to which the  
18 country—

19 “(I) applies transparent, non-  
20 discriminatory, and competitive proce-  
21 dures in government procurement  
22 equivalent to those contained in the  
23 Agreement on Government Procure-  
24 ment described in section 101(d)(17)

1 of the Uruguay Round Agreements  
2 Act; and

3 “(II) contributes to efforts in  
4 international fora to develop and im-  
5 plement international rules in trans-  
6 parency in government procurement.

7 “(C) NAFTA.—The term ‘NAFTA’ means  
8 the North American Free Trade Agreement en-  
9 tered into between the United States, Mexico,  
10 and Canada on December 17, 1992.

11 “(D) WTO.—The term ‘WTO’ has the  
12 meaning given that term in section 2 of the  
13 Uruguay Round Agreements Act (19 U.S.C.  
14 3501).”.

15 (b) CONFORMING AMENDMENTS.—(1) Section 202 of  
16 the Andean Trade Preference Act (19 U.S.C. 3201) is  
17 amended by inserting “(or other preferential treatment)”  
18 after “treatment”.

19 (2) Section 204(a) of the Andean Trade Preference  
20 Act (19 U.S.C. 3203(a)) is amended—

21 (A) in paragraph (1), by inserting “(or other-  
22 wise provided for)” after “eligibility”; and

23 (B) in paragraph (2), by striking “subsection  
24 (a)” and inserting “paragraph (1)”.

1 **SEC. 4. TERMINATION OF PREFERENTIAL TREATMENT.**

2 Section 208 of the Andean Trade Preference Act (19  
3 U.S.C. 3206) is amended to read as follows:

4 **“SEC. 208. TERMINATION OF PREFERENTIAL TREATMENT.**

5 “No duty-free treatment or other preferential treat-  
6 ment extended to beneficiary countries under this title  
7 shall remain in effect after December 31, 2006.”.

8 **SEC. 5. TRADE BENEFITS UNDER THE CARIBBEAN BASIN**  
9 **ECONOMIC RECOVERY ACT.**

10 Section 213(b)(2)(A) of the Caribbean Basin Eco-  
11 nomic Recovery Act (19 U.S.C. 2703(b)(2)(A)) is amend-  
12 ed as follows:

13 (1) Clause (i) is amended by striking the mat-  
14 ter preceding subclause (I) and inserting the fol-  
15 lowing:

16 “(i) APPAREL ARTICLES ASSEMBLED  
17 IN ONE OR MORE CBTPA BENEFICIARY  
18 COUNTRIES.—Apparel articles sewn or oth-  
19 erwise assembled in one or more CBTPA  
20 beneficiary countries from fabrics wholly  
21 formed and cut, or from components knit-  
22 to-shape, in the United States from yarns  
23 wholly formed in the United States, (in-  
24 cluding fabrics not formed from yarns, if  
25 such fabrics are classifiable under heading  
26 5602 or 5603 of the HTS and are wholly

1           formed and cut in the United States) that  
2           are—”.

3           (2) Clause (ii) is amended to read as follows:

4                   “(ii) APPAREL ARTICLES CUT AND AS-  
5                   SEMBLED IN ONE OR MORE CBTPA BENE-  
6                   FICIARY COUNTRIES.—Apparel articles cut  
7                   in one or more CBTPA beneficiary coun-  
8                   tries from fabric wholly formed in the  
9                   United States, or from components knit-to-  
10                  shape in the United States, from yarns  
11                  wholly formed in the United States (in-  
12                  cluding fabrics not formed from yarns, if  
13                  such fabrics are classifiable under heading  
14                  5602 or 5603 of the HTS and are wholly  
15                  formed in the United States), if such arti-  
16                  cles are sewn or otherwise assembled in  
17                  one or more such countries with thread  
18                  formed in the United States.”.

19 **SEC. 6. TRADE BENEFITS UNDER THE AFRICAN GROWTH**  
20 **AND OPPORTUNITY ACT.**

21           Section 112(b) of the African Growth and Oppor-  
22           tunity Act (19 U.S.C. 3721(b)) is amended as follows:

23                   (1) Paragraph (1) is amended—

24                           (A) by amending the heading to read as  
25                   follows:



1 “(1) APPAREL ARTICLES ASSEMBLED IN ONE  
2 OR MORE BENEFICIARY SUB-SAHARAN AFRICAN  
3 COUNTRIES.—”; and

4 (B) by amending the matter preceding  
5 subparagraph (A) to read as follows: “Apparel  
6 articles sewn or otherwise assembled in one or  
7 more beneficiary sub-Saharan African countries  
8 from fabrics wholly formed and cut, or from  
9 components knit-to-shape, in the United States  
10 from yarns wholly formed in the United States,  
11 (including fabrics not formed from yarns, if  
12 such fabrics are classifiable under heading 5602  
13 or 5603 of the HTS and are wholly formed and  
14 cut in the United States) that are—”.

15 (2) Paragraph (2) is amended to read as fol-  
16 lows:

17 “(2) APPAREL ARTICLES CUT AND ASSEMBLED  
18 IN ONE OR MORE BENEFICIARY SUB-SAHARAN AFRI-  
19 CAN COUNTRIES.—Apparel articles cut in one or  
20 more beneficiary sub-Saharan African countries  
21 from fabric wholly formed in the United States, or  
22 from components knit-to-shape in the United States,  
23 from yarns wholly formed in the United States, (in-  
24 cluding fabrics not formed from yarns, if such fab-  
25 rics are classifiable under heading 5602 or 5603 of

1 the HTS and are wholly formed in the United  
2 States) if such articles are sewn or otherwise assem-  
3 bled in one or more such countries with thread  
4 formed in the United States.”.

5 (3) Paragraph (3) is amended—

6 (A) in the matter preceding subparagraph  
7 (A), by inserting “, or components knit-to-  
8 shape,” after “from fabric wholly formed”;

9 (B) in subparagraph (A)(ii)—

10 (i) by striking “1.5” and inserting  
11 “3”; and

12 (ii) by striking “3.5” and inserting  
13 “7”; and

14 (C) in subparagraph (B), by amending  
15 clause (i) to read as follows:

16 “(i) IN GENERAL.—Subject to sub-  
17 paragraph (A), preferential treatment  
18 under this paragraph shall be extended  
19 through September 30, 2004, for apparel  
20 articles wholly assembled or knit-to-shape  
21 and wholly assembled in one or more lesser  
22 developed beneficiary sub-Saharan African  
23 countries regardless of the country of ori-

- 1 gin of the fabric or the yarn used to make
- 2 such articles.”.

